



Senator Pat Thibaudeau

Guide to the Washington State Budget

How to Reach Me

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E-mail: thibaude_pa@leg.wa.gov

Toll-Free Legislative Hotline:
1-800-562-6000

TTY: 1-800-635-9993

Committees:

- Health & Long-Term Care, Chair
- Judiciary
- Ways & Means

43rd District Town Hall Meeting

WHAT: Sen. Pat Thibaudeau and Reps. Frank Chopp and Ed Murray invite you to discuss legislative issues that impact citizens in the 43rd District.

WHERE: Tudor Room,
Montlake Community Center,
1618 E. Calhoun St., Seattle.

WHEN: 10:30 a.m.-12:30 p.m.,
Saturday, March 20.

For more information, call
(360) 786-7628

Important Cutoff Dates:

March 3- Last day to read in Senate Committee reports, except Senate Ways & Means and Transportation committees

March 17- Last day to consider own house's bills

April 2- Last day to read in committee reports from opposite house, except House fiscal committees and Senate Ways & Means Committee (April 5)

April 16- Last day to consider opposite house's bills

April 25- Last day allowed for regular session under state constitution

*The Governor has five days to take action on any bill passed by the Legislature during the first 100 days of session, and 20 days thereafter.

Dear Neighbor,

The 1999 legislative session is now underway, with a new Democratic majority in the Senate and a 49-49 tie in the House. This new political make-up should make for a session of forced cooperation, and provide the opportunity to address "back-to-basics" issues that pertain to everyone's daily lives: health care, K-12 education, higher education, salmon recovery and water, and transportation, just to name a few.

The focal point of this session, however, will be the state's 1999-01 budget and the questions it will undoubtedly provoke: How much should we save? What are the spending limits? Which programs can we afford to cut or create? I have attempted to answer some of these questions in the enclosed newsletter as a sort of "Budget 101." Due to a production and printing backlog (there are, after all, 48 other senators trying to communicate with their constituents), you probably won't receive this until midway through session.

Still, most of the major issues of importance to the general citizenry will not be resolved by then as they are complicated and costly. The March revenue forecast will also have some bearing on available funds, although we do not expect it to be very different from our current forecast. Additionally, we have both a Revenue Forecast Council and a Caseload Forecasting Council, which help us determine what the needs are and whether we have the resources to meet them.

While I continue to serve on the Senate Ways & Means Committee (responsible for crafting the Senate version of the budget), and Senate Judiciary Committee, my major responsibility this session will be as chair of the Senate Health & Long-Term Care Committee. This committee will set health and long-term care policies, which will in turn be referred to the Ways & Means Committee with appropriate budget requests. At this point, the major challenges include: 1) funding an enhanced children's health insurance program; 2) ensuring the future of the Basic Health Plan for low-income citizens; 3) providing equitable coverage for mental health services; and 4) creating a policy that will allow uninsured individuals to buy affordable health insurance. There are no easy answers. The Governor's office, the Insurance Commissioner, and legislators and staff have all been working for many months to come up with such policies. Please let our office know your thoughts on these issues.

As always I look forward to hearing your reactions or concerns regarding any other issues you would like to see considered. Keep in touch!

Sincerely,

Pat Thibaudeau, State Senator, 43rd Legislative District



A Citizen's Guide to the Washington State Budget

This is the year the state's 1999-01 biennial budget will be crafted — and it won't be easy. Even with a spending limit of about \$20.5 billion, and an extra \$974 million in the state's emergency and unrestricted reserve accounts, the projected cost of maintaining existing state programs and services is currently estimated to be about \$19.8 billion. This doesn't leave much room for new spending requests (salmon, K-12, Health Services Account, higher ed. slots, teachers and state employees salary increases/benefits). Clearly, some tough decisions on where we spend state dollars will have to be made.

To help you better understand how the state budget develops and how this year's budget may affect your community and family, please read on. You can also access the Senate Ways & Means Committee website at www.leg.wa.gov/www/senate/swm/

Citizen Involvement

- 1. Get to know your legislators. I encourage you to call me or my Legislative Assistant, Peggy Deathe in Olympia at (360) 786-7628. Or you can e-mail me at thibaude_pa@leg.wa.gov. You may also contact my seatmates in the House: Rep. Frank Chopp, House Co-Speaker at (360) 786-7920, and Rep. Ed Murray at (360) 786-7826.
- 2. Write letters. I try to answer all letters I receive from people in the district who are concerned about a problem and want to get involved. You may want to include a copy of any correspondence you send to the Governor, state officials, or other legislators so that I can more effectively follow up on your ideas and concerns.
- 3. Call the toll-free hotline. Throughout the session, you can call the toll-free hotline at 1-800-562-6000 to leave a message for me, other district legislators, or the Governor. The hotline for the hearing impaired (TTY) is (800) 635-9993.
- 4. Invite legislators to meetings. I always welcome the opportunity to meet with individuals or local organizations about problems or concerns.

Contacting Other Government Officials

Governor Gary Locke
(360) 902-4111
governor.locke@governor.wa.gov

Lt. Governor Brad Owen
(360) 786-7700
owen_br@leg.wa.gov

Secretary of State Ralph Munro
(360) 753-7124
secretaryofstate@www.wa.gov

Treasurer Michael J. Murphy
(360) 902-9001
michaelj@tre.wa.gov

Auditor Brian Sonntag
(360) 902-0370
sonntagb@sao.wa.gov

Superintendent of Public Instruction Terry Bergeson
(360) 586-6904
bergeson@OSPI.wednet.edu

Insurance Commissioner Deborah Senn (360) 753-7301
DeborahS@oic.wa.gov

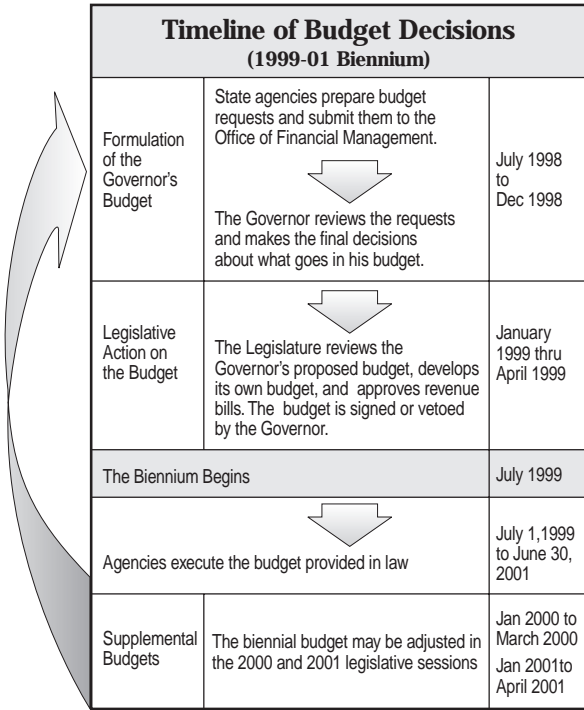
Attorney General Christine Gregoire (360) 753-6200
emailago@atg.wa.gov

Commissioner of Public Lands Jennifer Belcher (360) 902-1004

Budget Development

Through the budget process, the Legislature and the Governor decide how much money to raise and spend. State agencies, the Governor, the Legislature, citizens, and interest groups are all involved in the process (see chart).

This process can get rather complex in the Legislature. After receiving the Governor’s budget proposal, the House and the Senate each develops and passes their own versions of the budget. They must then reconcile the differences in the budget conference process, which includes six fiscal leaders from both chambers and both political parties. The resulting budget is then submitted to the full Legislature for final passage before it is delivered to the Governor for his signature. The Governor has the power to veto all or parts of the budget before he signs it. Only then has the state created a real budget.



Budget Outlook 1999

By state law, the balanced two-year budget is the only bill the Legislature is required to pass. Crafting a budget that everyone can agree to is a long and often divisive process. For starters, the Governor has already proposed spending \$20.57 billion for 1999-01, with a heavy focus on education. While this budget stays within Initiative 601 spending limits approved by voters in 1993, it also includes spending increases made possible with \$374 million from the state’s reserve account, \$157 million (Health Services Account) in tobacco settlement money, \$193 million in welfare caseload savings, and \$161 million in state agency budget reductions.

How Does I-601 Affect this Year’s Budget?

I-601 essentially puts a “cap” on activities funded with general state revenues based on the amount of government spending in 1990 adjusted for population growth and inflation and actual spending. Therefore, the spending limit for 1999-01 is dependent on the level of spending in 1997-99. In short, future limits are based on what we spent previously.

The Legislature will be faced with the opportunity to adjust the 1997-99 budget one last time before the budget period ends on June 30. Currently, there is about \$73 million in capacity in the 1997-99 budget between what is currently budgeted and the spending limit. The Senate has proposed spending only \$50.8 million, focusing dollars on school construction (both K-12 and community and technical colleges), disaster assistance, and school bus safety. Spending this money has the added effect of increasing the spending limit in 1999-01. If the \$50.8 million is spent, and we spend up to the limit in 1999-01, we will have about \$20.722 million in resources to work with, along with nearly \$500 million in reserve accounts.

When general fund tax revenues grow faster than the growth in the I-601 spending limit, the extra tax revenue can be used to 1) reduce taxes or 2) be put into a special reserve fund that can only be used if two-thirds of the legislators agree to use it. In recent years, the Legislature has put more than \$300 million into this special reserve fund, and passed significant tax cuts.

Budget Priorities in the 43rd District

As a member of the Senate Ways & Means Committee, the committee responsible for crafting the Senate version of the state budget, I will be paying particular attention to funding that directly affects the people of the 43rd District. Again, we need to work for a budget that will help improve the daily lives of everyone. That means good-paying jobs, excellent schools, affordable health care, clean environment, higher education opportunities — all of which can lead to a safe and secure future.

Here are just a few of the issues I'll be watching:

Higher Education: The demand for higher education is increasing, both from the “Baby Boom Echo” — children of Baby Boomers — and from people seeking a better career (Welfare to Work). Enrollment requests are expected to increase by almost 100,000 students by the year 2020.

The Governor has already proposed \$195.8 million in new funding for state colleges and universities to help meet the demands for access and affordability. We must also continue to help close the salary gap for part-time faculty in community and technical colleges, and find ways to alleviate the so-called “brain drain” on the University of Washington faculty who are being wooed away to other universities in other states with higher salaries. Meeting the demands of the information-technology industry, which reports that more than 7,000 high-paying jobs are going unfilled in our state due to a lack of qualified applicants, is also a priority.

Health Care: Under the pending tobacco deal, Washington could receive \$4 billion over the next 25 years. While the federal government is now suggesting that it deserves a piece of our pie, the Governor has already called on the 1999 Legislature to use most of the initial \$323 million to protect Washington’s Basic Health Plan for working families; expand Medicaid health coverage for children in low-income families; and establish a trust fund to educate people about the dangers of smoking.

Improvements to long-term care for our older citizens, and help for consumers in the individual health insurance market will also place demands on our state general fund.

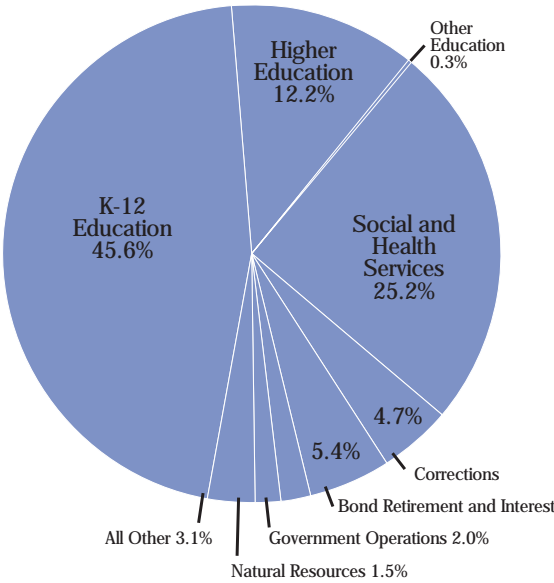
K-12 Education: Washington’s classes are now the fourth largest in the nation! Class size reduction will continue to be a top priority so that our children can get the attention they need to really learn. Thanks to our own Senator Patty Murray, the new federal budget will distribute \$20 million through Washington school districts to reduce class size by hiring more teachers.

Funding for more teacher training will also be necessary to help every child meet the new, higher state academic standards. For example, this year, only 55.6 percent of fourth-graders met the reading standard, and 31.2 percent met the state’s math standard. The good news? These are 8-10 percent improvements over last year’s scores. In fact, if gains in reading stay steady, schools will meet our legislated accountability goal in the year 2000.

Transportation: It comes as no surprise that the Seattle-Everett area is now tied with Los Angeles for the worst traffic congestion in the nation. While the voter approval of Referendum 49 reduces general fund revenues by \$469 million in the next biennium, it does provide the opportunity to address some of these and other urgent traffic needs around the state. The Legislature will be responsible this session for approving a spending plan before the bonds authorized in Ref. 49 can be spent. More carpool and bus lanes, several congestion-relief projects, and passenger rail enhancements are in the Governor’s proposed budget. I’ll also continue to support increased funding and higher standards for noise-reduction projects, such as noise walls, as traffic in our area continues to rise.

Environment & Salmon: Every one of our 39 counties stand to be impacted by proposed federal listings of wild salmon, steelhead, and trout as threatened or endangered. In fact, if we don’t come up with a viable state salmon recovery plan that satisfies the Endangered Species Act requirements, we will undoubtedly experience serious restrictions on water use, land use development, highway construction, and, of course, salmon harvesting. Last month, the Governor released his \$201 million salmon recovery plan with a significant appropriation for water reuse and conservation. Undoubtedly, the plan will be worked over in the Legislature, but it provides the opportunity to help Washington citizens keep control of their natural resources by crafting responsible state and local solutions.

Governor’s Proposed
Spending Plan 1999-01



BUDGET 101

Budget Terminology

Operating Budget: The budget that pays for the day-to-day operation of state government (including federal funds and dedicated funds).

Capital Budget: The budget to acquire and maintain state buildings, public schools, public lands, parks, and other assets.

Transportation Budget: The budget that pays for transportation activities such as designing and maintaining roads and mass transit. It includes amounts for both transportation operating activities and transportation capital activities.

Supplemental Budget: In even-numbered years, the Legislature will consider changes to the biennial budget in what is called the “Supplemental Budget.” Generally, such changes represent “mid-course” corrections to the two-year spending plan to account for changes in school enrollments, prison populations, or public assistance caseloads.

General Fund: The actual spending plan for the state’s largest fund, which represents approximately half of the state’s operating budget. It is non-restricted in use. All major state tax revenues (sales, business and occupation, property tax, and others) are deposited into this fund.

Dedicated Funds: The product of reserving certain tax revenues for a specific purpose or purposes. Two of the largest such funds are the Motor Vehicle Account and the State Lottery Account.

Biennium: Washington operates on a two-year basis, beginning on July 1 of each odd-numbered year. For example, the budget we will write this year will be for the period of July 1, 1999, through June 30, 2001.

Government Websites

The Internet is a great place to find information about what’s going on in state government. Here are a few sites that may help:

Washington State Legislature:
www.leg.wa.gov

Senate Democratic Caucus:
www.leg.wa.gov/senate/sdc

Access Washington website:
(online government services)
<http://access.wa.gov>

TVW (Televised Public Affairs):
www.tvw.org



Place
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Here

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Keep in Touch!

Please take a moment to let me know your thoughts on the issues facing our state.

Name _____ Phone _____

Address _____

City _____ State _____ Zip _____

Detach along dotted line, fold, tape and affix a first-class stamp to the mail panel above.

